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Presentation Title: The Affordable Care Act Impact on Older Individuals

Abstract to be considered for an Award

Without your health, well ...what do you have? As a consequence healthcare it is an issue that touches everyone. Everything from cost, accessibility, and whether it is a fundamental right has been up for debate. The discussion around healthcare has continued to rise especially as costs increase and the U.S population ages. Though healthcare has always been expensive and inaccessible for many the Patient Protection and Affordable Care Act (ACA) hopes to solve for this. This research takes a holistic view of healthcare for individuals over the age of 65 in attempt to provide clarity on a very important and complex topic.

### **What is the ACA**

The ACA was an over 950+ page bill signed into law March 23, 2018 by Barack Obama. The ACA can be broken down into three primary parts. (1) The mandate that requires all Americans have the ACA or pay a penalty. (2) The second big part of the bill was subsidies. These subsidies were based on income or family size. So, for individuals below the poverty line, subsidies for the exchanges, and subsidies for small business owners to incentivize them to participate without punishing them if they didn't. (3) New insurance industry requirements. This was aimed at improving the quality of health insurance but also making sure insurers didn't drop clients because they were "too expensive".

### **Medicare**

Medicare is the federal health insurance program for people who are 65 or older, and some other disabilities. Afendulis, Landrum, and Churned (2012) do a lot statistical modeling

## Regression Results

	<i>Change in the Number of Plans (log scale)</i>	<i>Change in the Number of Contracts (log scale)</i>	<i>Change in Enrollment</i>
Quartile 1 (lowest spending)	0.114** (0.038)	0.050 (0.055)	0.27 (0.27)
Quartile 2	0.073* (0.031)	0.020 (0.045)	0.30%* (0.15)
Quartile 3	0.053* (0.027)	0.010 (0.040)	0.02% (0.12)
Generosity pre-PPACA (\$100)	-0.030* (0.013)	-0.001 (0.019)	0.17%*(0.07)

\* $p < .05$ .

\*\* $p < .01$ .

*Note.* Regression model also includes county population dummies, PFFS penetration, and percent of plans with high quality ratings. All figures are based on data from HMO and PPO MA plans only. Plan and contract regressions are unweighted, enrollment regressions are weighted by Medicare population.

*Source:* CMS's "Medicare Options Compare" files for 2010–2011 and contract-plan-state-county enrollment data for 2010–2011.

and concluded that the ACA decreased the number of choices available but did not impact enrollment. Table 1 demonstrates these findings.

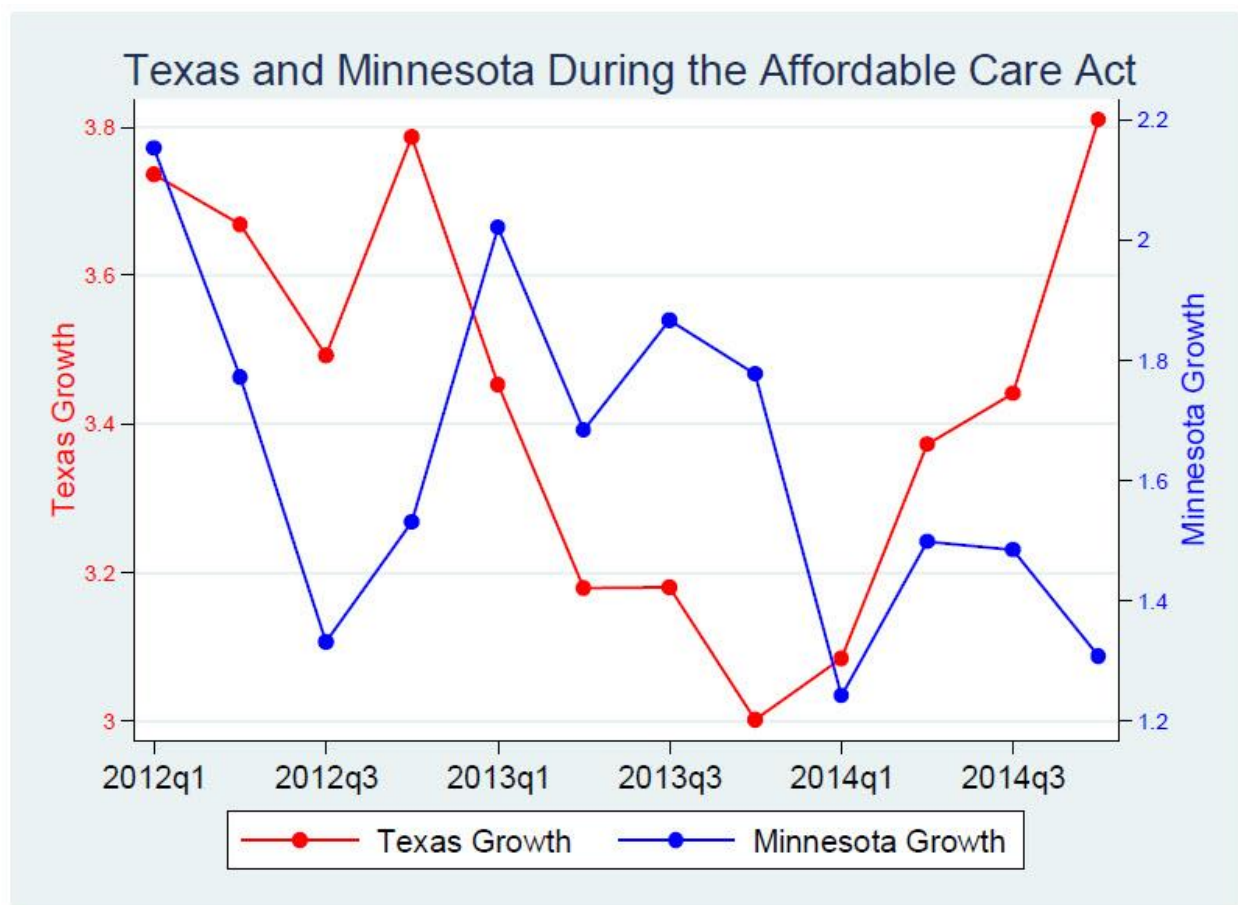
The impact of the change in enrollment is mixed. In Quartile 2 and in counties who were generous Pre-ACA the change in enrollment was significant however for other quartiles it was not. This leaves a mixed picture about whether the ACA had a significant impact on the change in enrollment overall. The other interesting conclusion from this research is that for counties that were generous pre-ACA saw a decrease in the number of plans offered. It seems as if there may be some trade-off between choice and cost. Is it worth it to overpay just so you have various options?

## Healthcare and Labor Markets

Even though Pinkovski (2015) stops short of saying the ACA was good for labor markets the ACA has seemed to have many positive effects. He found that in a location in which

there was a large population of uninsured that there was an increase in employment, salary and output. One way to see if this is true, is to compare two places, one that has a high uninsured population and the other that has a low uninsured population. Pinkovskiy uses Texas which has a high uninsured population and Minnesota which has a low uninsured population. By comparing these two places as seen in Chart 4 the employment growth rates diverge faster after the implementation of the ACA in Q3 2013 than they diverged before the implementation which is inconsistent with the idea that the ACA harmed employment growth.

**Chart 4**



### Cost for Older Individuals

When trying to create a holistic view of what older individuals will face because of the ACA it is worth mentioning retirement and end of life care. Even though the ACA doesn't do

much about retirement specifically (the focus is healthcare generally) it's an important factor. In that same vein End of Life Care is the philosophical problem around how much is too much money to keep someone alive. As a result, one out of every four Medicare dollars, more than \$125Bn, is spent on services for the 5% of beneficiaries in their last year of life (Wang, P. 2012).

### **Conclusion**

The ACA overall had a positive impact on individuals over the age of 65 however there is still many improvements needed for healthcare. We need to reduce costs and improve health outcomes for participants. While also addressing the broader questions of what healthcare is and what it should look like in America.

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